

# Redevelopment of the Kingsport Press Site

The story of how a 950,000 sf book printing plant became a downtown retail, office, Farmer's Market, and Carousel

## **About Kingsport**

- Kingsport was the first economically diversified, professionally planned, and privately financed city in twentieth-century America.
- Incorporated in 1917, the city was built on the theory of interlocking industries and "just in time" inventory.
- As a result, several major industries, including independent paper, book, and binding plants relocated from the North to take advantage of the favorable labor, raw materials, and regulatory environment in the South.
- As a result, the city grew exponentially during its formative years.
- Beginning in the 1980s and culminating in the early 2000s, industries in Kingsport faced many external challenges – the same ones they exploited in the beginning – and many local industries shrank as jobs went offshore in search of lower labor costs or closed altogether due to technological advances that changed their fundamental business plan.

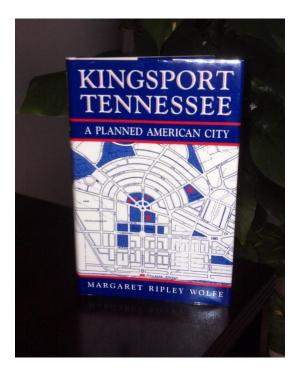
#### Kingsport, Tennessee: A Planned American City (1987)

"Plan to 'boom a town at Kingsport' "

Johnson City Comet August 17, 1905

"This would mean that Kingsport is to arise from a small country town, located at the intersection of the North and South forks of the Holston River, to become one of the most important manufacturing and business towns in the state of Tennessee"

> Johnson City Comet August 24, 1905





1954



## The basics...

### **Population**

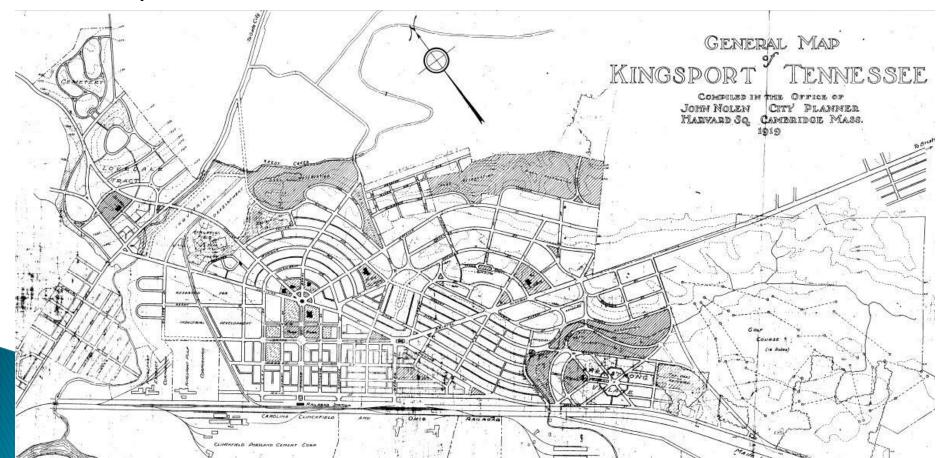
- ▶ 51,264 = City of Kingsport
- $\triangleright$  56,833 = Hawkins County
- ▶ 156,823 = Sullivan County
- ▶ 309,006 = Kingsport-Bristol MSA

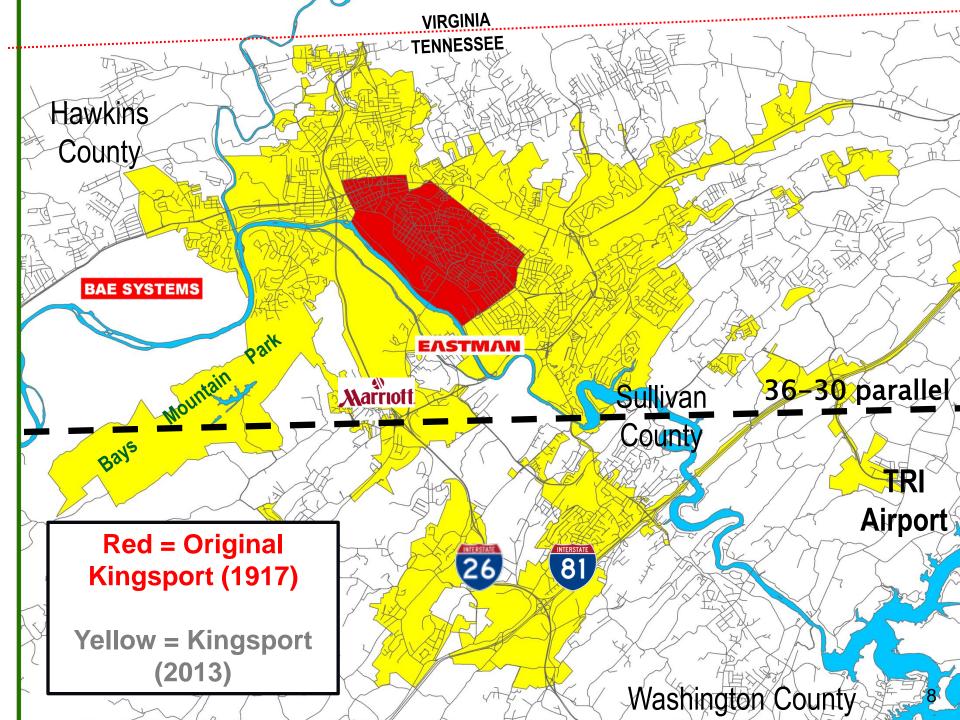
### **Neighbors**

- ▶ 845,350 = Knoxville MSA
- ▶ 537,889 = Chattanooga MSA
- ▶ 509,690 = Tri-Cities, TN/VA MSA
- ▶ 432,406 = Asheville, NC MSA
- 310,118 = Roanoke, VA MSA
- 200,684 = Johnson City MSA

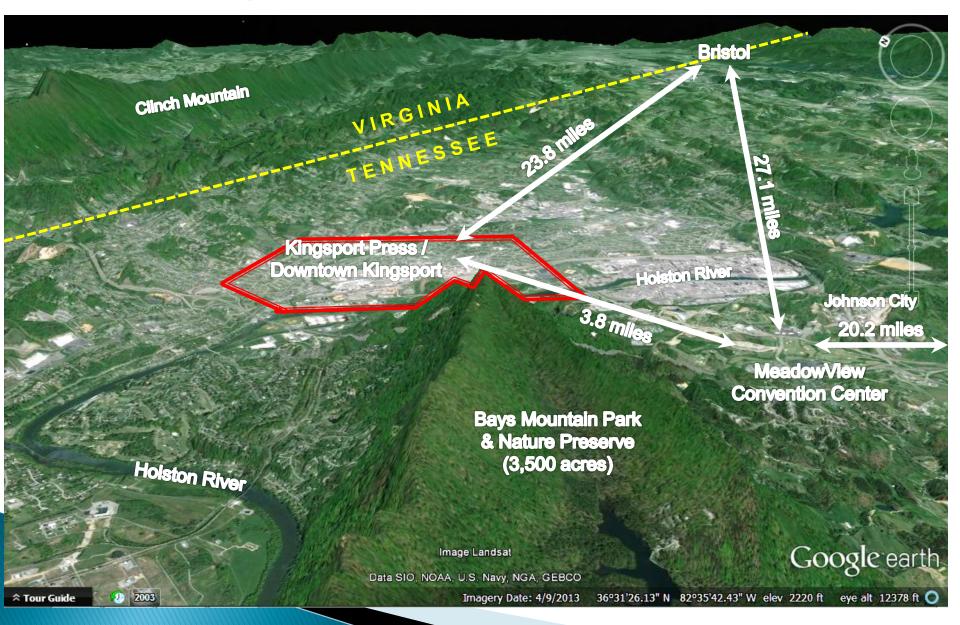
## The Planned City

- Center St was not the main route, Sullivan St was
- Bloomingdale was replaced with Clinchfield downtown
- "City Beautiful" movement





## The 12,378 foot view



### What is "Kingsport Press"?

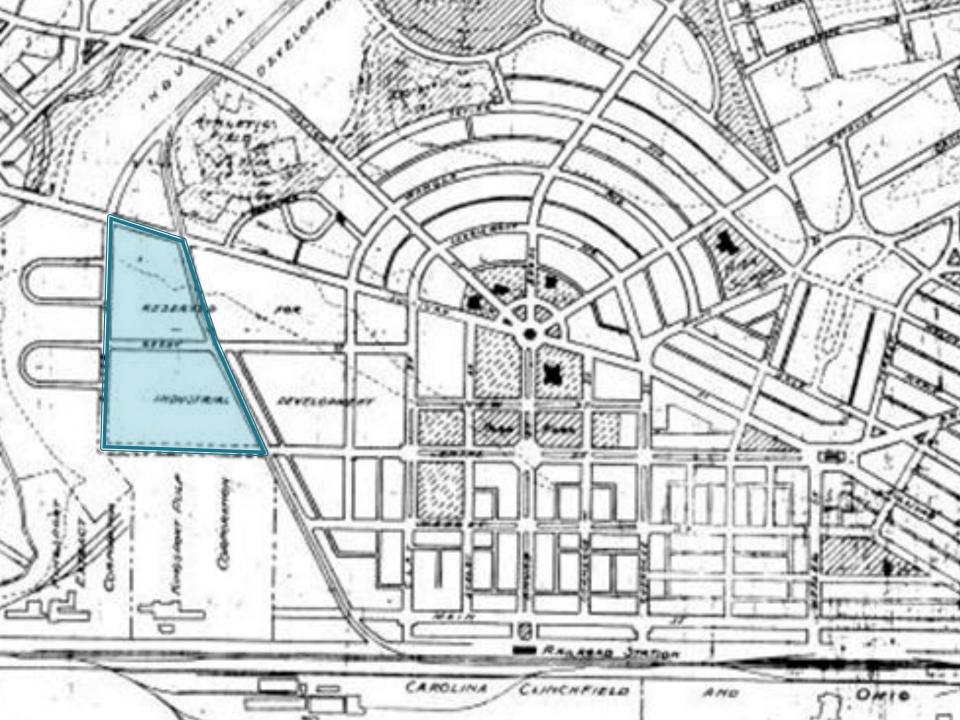
Kingsport Press and subsequent companies
 (Arcata & Quebecor) were a powerful Tennessee presence for 84 years.



- The press was initially established in 1922 by Blair and Company, the New York bankers who financed the Clinchfield Railway and the Kingsport town site, with John B. Dennis as chairman of the board of Kingsport Press, Incorporated.
- As an integral component in fulfilling the interlocking concept of industry upon which Kingsport's founders created the <u>planned industrial community</u>, Kingsport Press served as a catalyst for the development and expansion of related industries such as Mead Paper Company (later Willamette, Weyerhauser, and Domtar).
- The company's customers included the leading international publishers, and it produced all types of hardbound and softcover books. Products includec elementary, high school, and college textbooks and workbooks; reference sets; book club selections; Bibles and hymnals; blank books and specialty binders; juvenile books; university press books; dictionaries; and school yearbook covers.

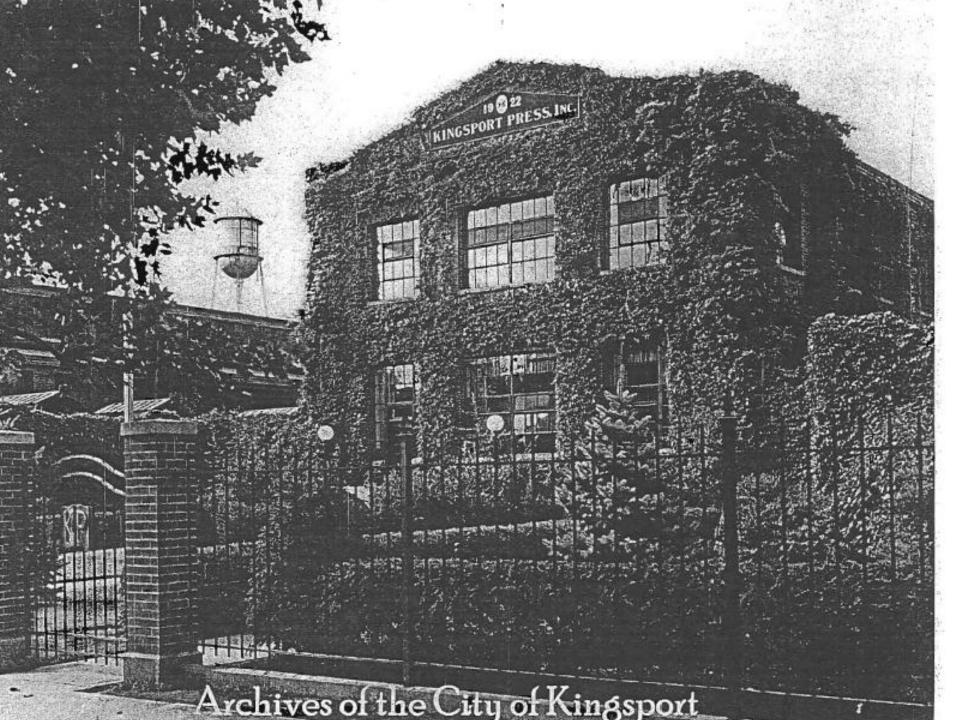
## Kingsport Press (1922–2006)

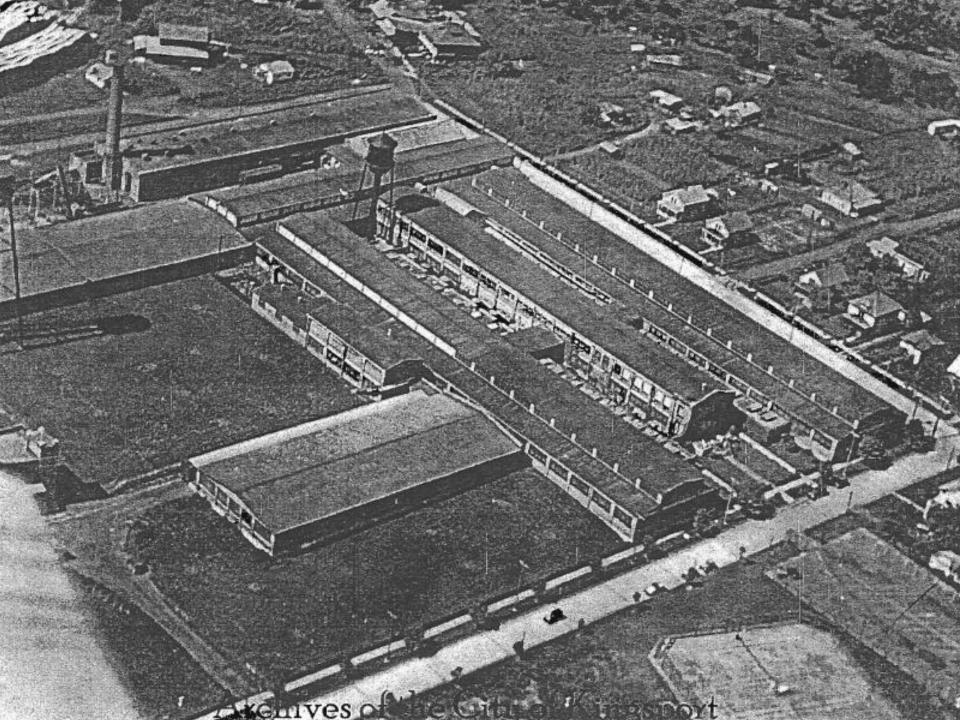
- Kingsport Press began in 1922. During the 1950s, the company became the largest complete book manufacturing firm in the world (Source: ETSU).
- By 1963 there were 1,650 production workers onsite (Source: Archives of Kingsport). At its peak, it employed 2,500. In 1969 it merged with Baltimore-based Arcata Graphics.
- In 1992 it was acquired by Montreal-based Quebecor World. Products included elementary, high school, and college textbooks and workbooks; reference sets; book club selections; Bibles and hymnals; blank books and specialty binders; juvenile books; university press books; dictionaries; and school yearbook covers.
- With the onset of eBooks like Kindle and Nook, Quebecor made the tough decision to close the facility in 2006.
- Upon closure, Quebecor hired a Manhattan-based planning firm to determine the economic value of the site. It concluded the best option for the company was to sell the entire site to the City of Kingsport for \$1 after negotiating a brownfields redevelopment terms and responsibilities between Quebecor, the State of Tennessee, and the City.
- Thus the City took possession approximately 54 separate buildings totaling 950,000 sf spanning 20 acres over two city blocks.

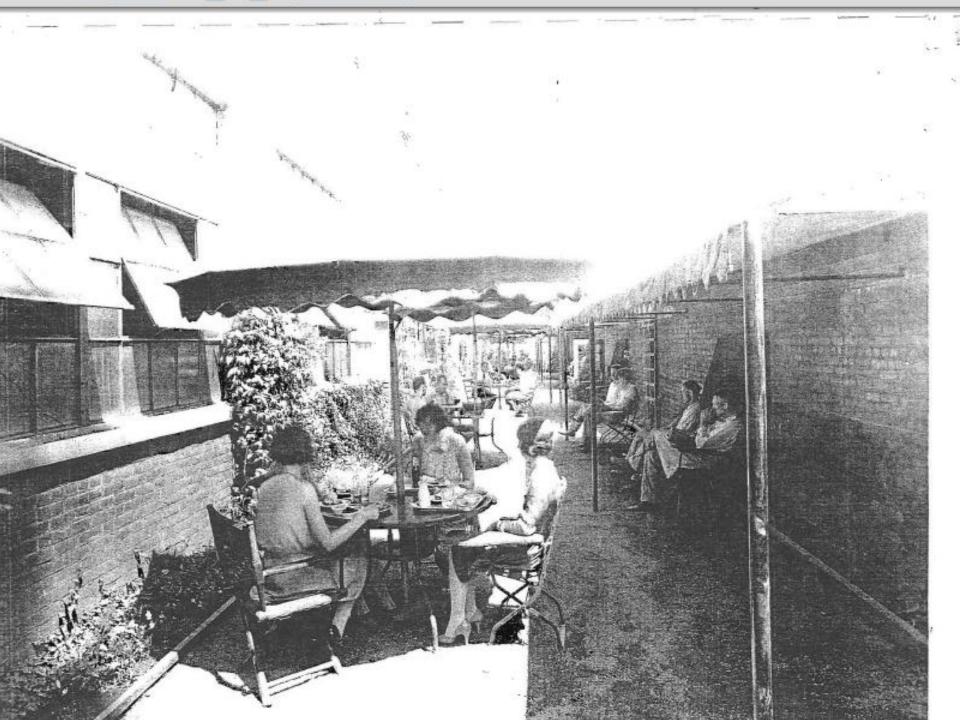


# The challenge of a planned city...it's like having extra closet space in your home. You spread out to fill it.

	Downtown (Acres) Est	Population with 15 minutes	Pop Density per Acre
Johnson City	102	92,189	904
Nashville	346	278,033	803
Asheville	209	131,358	629
Bristol	99	62,010	626
Roanoke	270	161,116	597
Knoxville	311	181,951	585
Chattanooga	314	142,165	453
Kingsport	229	72,110	315





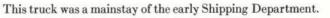




Kingsport Press started production with about 300 employees.

Production started 1923 with 300 employees.

Early production consisted of classic books that sold for ten cents per copy...

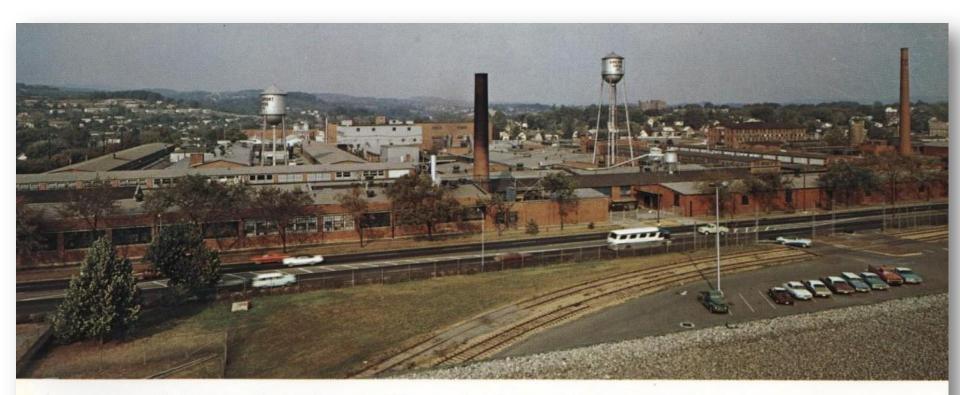




Early Kingsport Press employees produced classic books that sold for ten cents a copy.



By the 50<sup>th</sup> Anniversary in 1973...Kingsport Press occupied 20 acres in downtown & had become the second largest employer in Kingsport with 2,000+ employees.



The Kingsport Plant employs over 2,000 men and women in its 20 acres of work and storage space.

**Viewed from Domtar (across Center Street)** 

# Kingsport Press 2008 (from Sullivan Street)



# Kingsport Press 2008 (from Clinchfield Street)

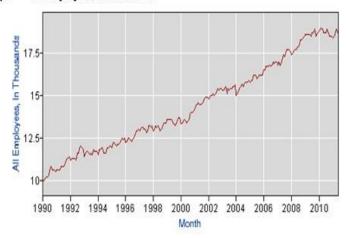


## **Economy in Transition**

- "Last one out, turn out the lights"
- Major manufacturing closures/lay-offs
- Eastman spin-off from Kodak
- Major changes in elected officials and appointed leadership
- "Rustbelt"
- Call to action A new day, a new plan

#### **EDUCATION & HEALTHCARE JOBS**

Area: Kingsport-Bristol-Bristol, TN-VA
Supersector: Education and Health Services
Industry: Education and Health Services
Data Type: All Employees, In Thousands

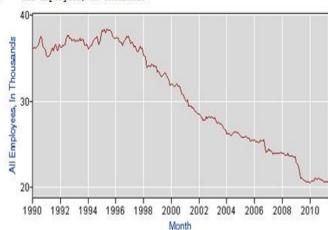


#### **MANUFACTURING JOBS**

Area: Kingsport-Bristol-Bristol, TN-VA

Supersector: Manufacturing Industry: Manufacturing

Data Type: All Employees, In Thousands



# The stage was already set...the 1999 Economic Summit

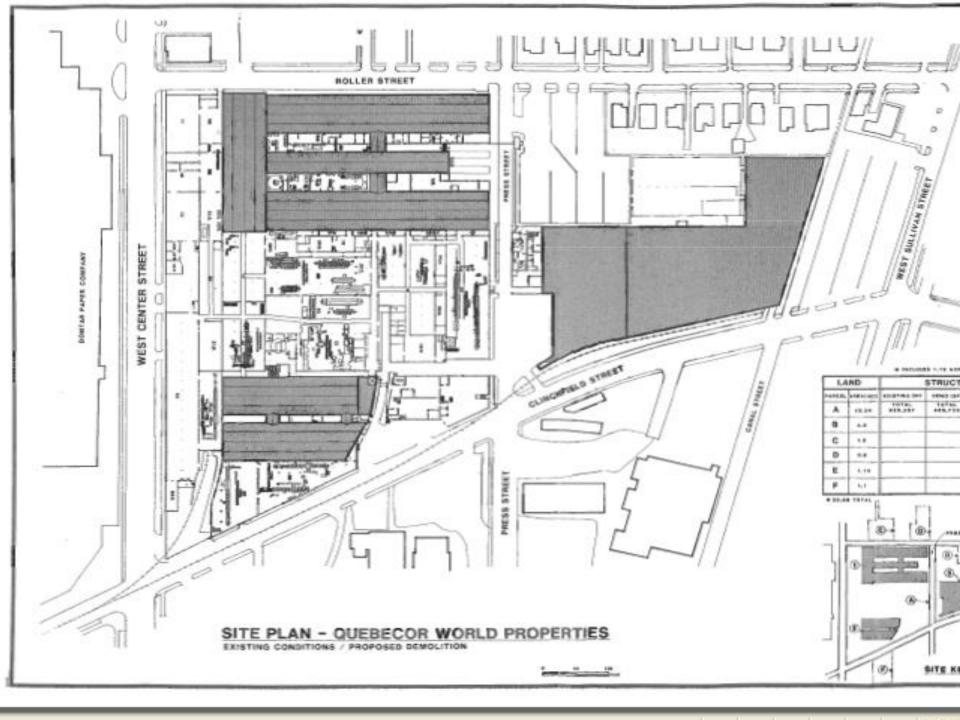
- In 1999, City leaders held an Economic Summit to envision a future with a strong, but reduced dependence on industrial development and embraced newer forms of non-traditional economic development that focus on the community's commitment to education, high quality of life, low cost of living, and logistical convenience by interstates, airport & rail:
  - 1. Increase access to higher education emphasizing skills needed for locally-available jobs
  - 2. Recruit people (with talent & resources) including families, retirees, and young professionals
  - 3. Focus on small business & entrepreneurs
  - 4. Build on successes in leisure, hospitality, & sports tourism using convention center and sports facilities
  - 5. Encourage redevelopment & sustainability by re-using brownfields & grayfields as an alternative to greenfields
  - 6. Create opportunities for public arts, sculpture, music, and cultural amenities
- The Kingsport Press redevelopment project is perhaps the best single example of a project that incorporated all six of these.

### Quebecor World Properties

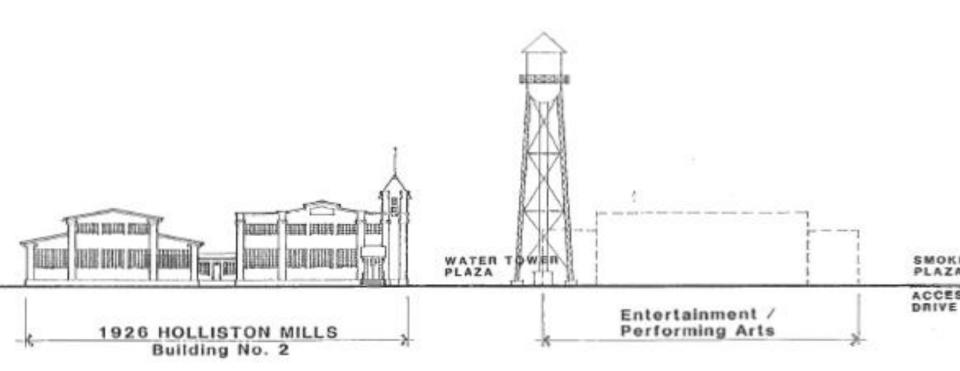
Kingsport, Tennessee



Proposed Redevelopment Plan for CITY OF KINGSPORT



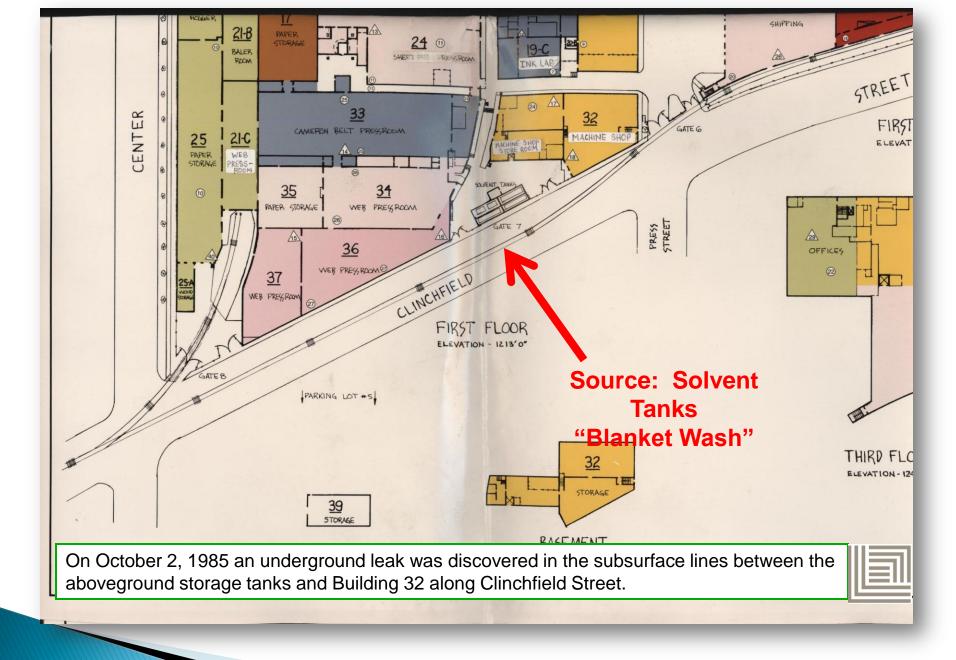
## One of the original plans

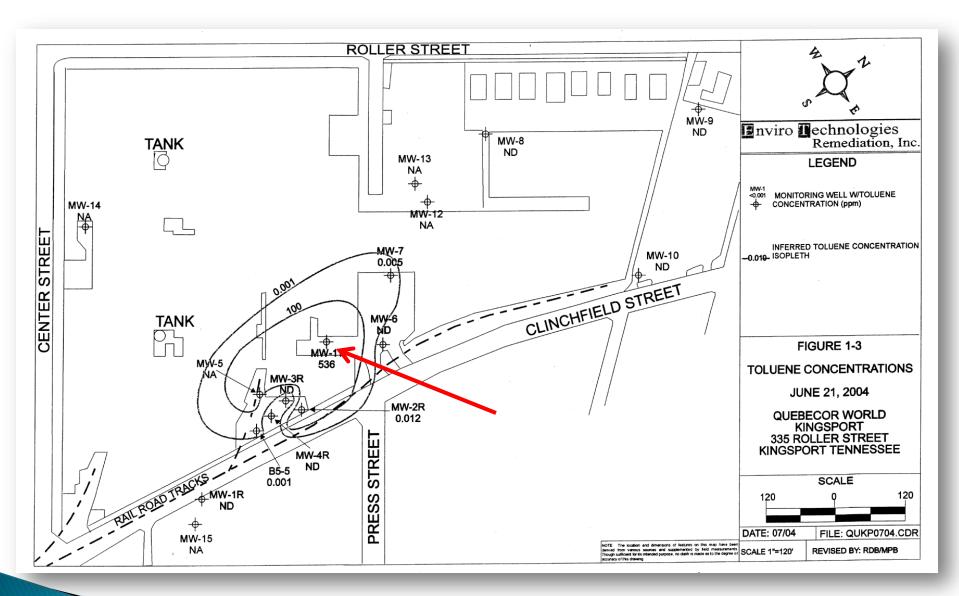


## PRESS STREET ELEVATION

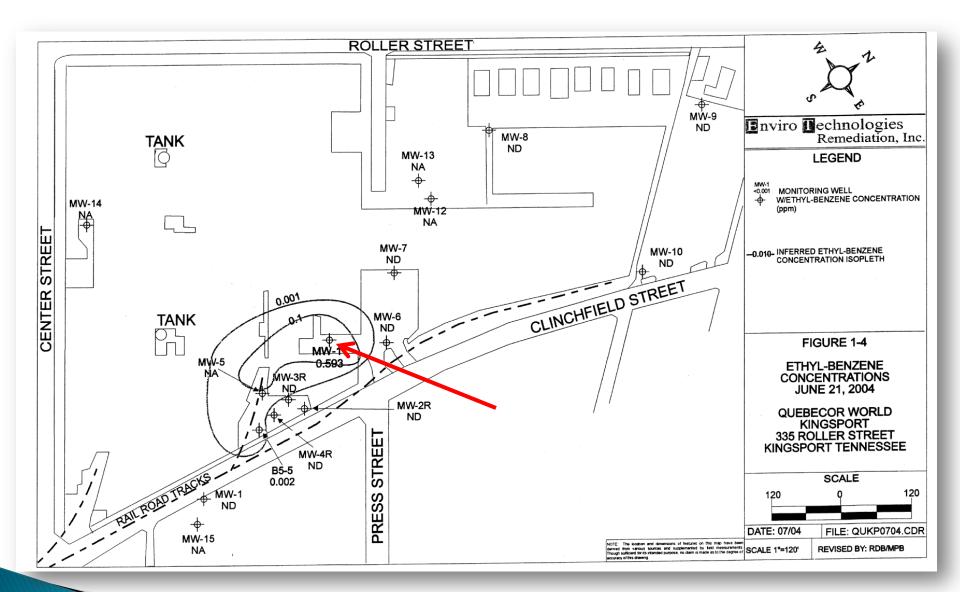
## A pig in a poke?

- Fear of expensive environmental implications
  - Current owners
  - Potential donation-recipient (City of Kingsport)
  - Potential buyers/developers
- Brownfields Redevelopment Agreement
  - What is it?
  - How does it work?

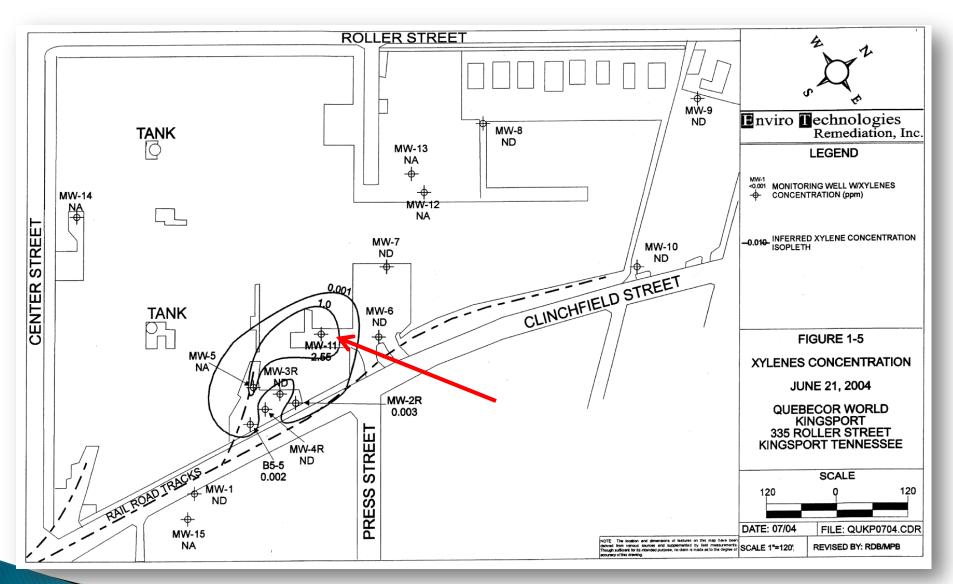














#### Environmental Investigations, Remedial Actions, and On-site Activities - 1985 - 2010

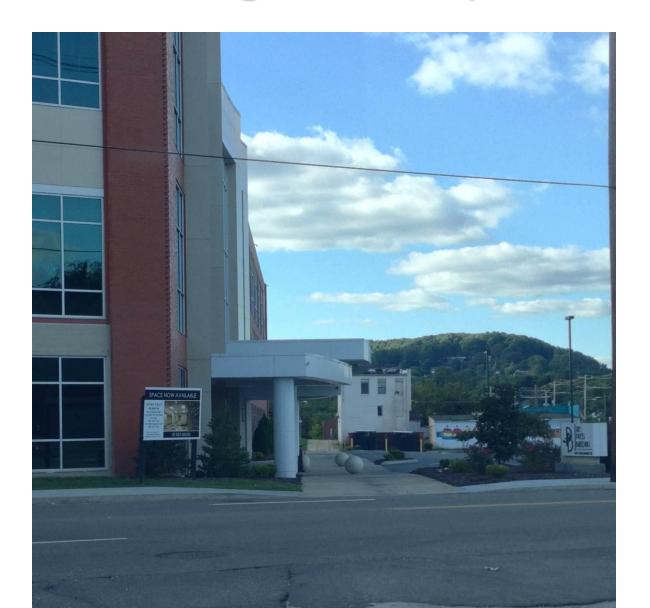
- Monitoring wells MW-1, MW-2 and MW-3 were installed in November 1985. The leak was corrected and subsequent investigations and events produced the following documents:
- Subsurface Investigation Report (Barge, Waggoner, Sumner and Cannon) November 1986
- Environmental Assessment Plan (Lee Wan & Associates) January 1988
- Environmental Assessment Report (Lee Wan & Associates) June 1988
- Preliminary Environmental Assessment Report (Lee Wan & Associates) March 1989
- Final Environmental Assessment Report (Lee Wan & Associates) August 1990
- These investigative reports led to the preparation of the Corrective Action Plan; the site was assigned to Underground Storage Tanks (then a part of Division of Superfund) in 1987. In 1988 the site was transferred from Underground Storage Tanks directly to the Division of Superfund.
- Interim Corrective Action Plan (ICAP)/Risk Assessment (Lee Wan & Associates) October 1990
- TDEC Commissioner's Order October 1991
- Facility Investigation Report (RADIAN) February 1992
- Baseline Risk Assessment & Groundwater Monitoring Program Plan (RADIAN) December 1992
- Final Corrective Action Plan (CAP) (RADIAN) January 1994
- The ICAP and CAP, as well as the Commissioner's Order lead to the phased corrective action. This includes a two-phase approach 1) the installation of the groundwater dual phase extraction system (DPES) installed in January 1996 and 2) the use of chemical oxidation in 1999 to polish off remaining contaminant. Steam injection was also utilized to facilitate the contaminant removal. This was halted when free product was discovered in two monitoring wells located in the courtyard.
- Courtyard Investigation Report (Alliance Remediation Services, Inc.) January 2001
- In December 2000, the Courtyard Investigation was implemented to determine the then-current horizontal and vertical extents of subsurface contaminant.
- Remedial Action Work Plan (Alliance) January 2002
- In 2003, approximately 1,700 cubic yards of soil was excavated from the courtyard area and a biosparging system installed prior to backfilling. This system was operated until approximately 2004.
- Corrective Action Report copy not available
- Phase I Environmental Site Assessment (E. Roberts Alley & Associates(ERA&A)) December 2006
- Quarterly and Semi-Annual GW Monitoring Reports (RADIAN & ERA&A) 1990 through 2008



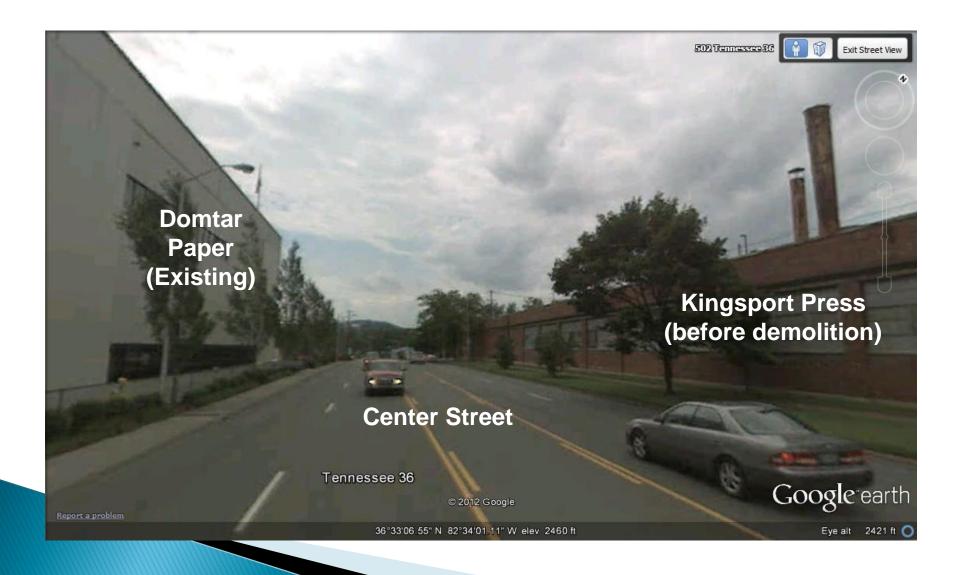
#### Environmental Investigations, Remedial Actions, and On-site Activities - 1985 - 2010 (continued)

- Ongoing groundwater monitoring has occurred at this facility from approximately 1990 to the present (2010) from up to 15 groundwater monitoring wells. From approximately 1993 through 1994, eleven monitoring wells were sampled on a semi-annual basis (MW-1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11). MW-5, from this group, was sampled through 2001 and then replaced by B5-5 for continued sampling. In July 2005, QW Kingsport requested that the periodic monitoring be reduced from quarterly to semi-annual events and the number of monitoring wells sampled be reduced from eleven to four. This request was approved by TDEC. From 2005 to 2008, groundwater monitoring was limited to four monitoring wells (MW-7, 8, 9, and 11). Only one of these monitoring points (MW-11) indicated levels of groundwater contaminant in excess of regulatory guidelines for the chemicals of concern (COCs) which include benzene, toluene, ethylbenzene, acetone, MEK and xylenes.
- Comprehensive Groundwater Monitoring Report (Phase II) (ERA&A) June 2007
- Groundwater samples were collected from all available monitoring wells, in February 2007, and analyzed for VOCs, Herbicides & Pesticides/PCBs, SVOCs, and inorganics. Groundwater collected from monitoring well B5-5 was determined to be in excess of the Federal MCL for vinyl chloride. Toluene concentrations were detected above the Federal MCL in MW-11. Inorganics were detected in some of the samples, all below detection limit or MCL.
- Notice of Land Use and Groundwater Use Restrictions (City of Kingsport) November 2007
- Executed by the City of Kingsport and recorded in Sullivan County Deed Book 2613C Page 432.
- Risk Assessment Report (ERA&A) December 2007
- The COCs identified at the site were delineated in all directions. The groundwater is naturally attenuating before migrating off-site. Therefore, no significant risk at the subject property due to impacted groundwater was reported.
- Brownfield Agreement for Quebecor World Kingsport, Inc. Site, Kingsport, Sullivan County, Tennessee SRS 0081 (TDEC) October 2008
- Letter confirms pursuant to sub-section F.9. of Brownfield Order, between TDEC and Quebecor, for the referenced site, that Quebecor has fulfilled the requirements of the Brownfield Order and no further action is required regarding the contamination identified and addressed by the Brownfield Order.
- Additional Phase II Environmental Site Assessment (ERA&A) October 2009
- Direct push technology and auger soil borings were utilized to visually inspect the soil. No unusual observations of the soil were reported. A total of twenty-nine (29) soil samples were collected from these borings. Soil samples were analyzed for VOCs and were determined to be below detection limits (BDL). Six (6) of the soil samples were also analyzed for SVOCs, priority metals, and/or barium concentrations. Trace amounts of SVOCs and priority metals were detected.
- Asbestes Containing Material (ACM) & Lead Based Paint (LBP) Survey (LEA) May 2010
- The survey indica. LACM present in the buildings; contained in materials such as floor tiles and mastic, thermal system insulation, roof materials, and pipe insulation. LBP was discovered above the EPA threshold (5,000 ppm) on materials including painted walls, painted structural painted piping and electrical equipment.
- This existing condition has been closed by TDEC as a no-further action situation.

## Other challenges - alleys, culverts



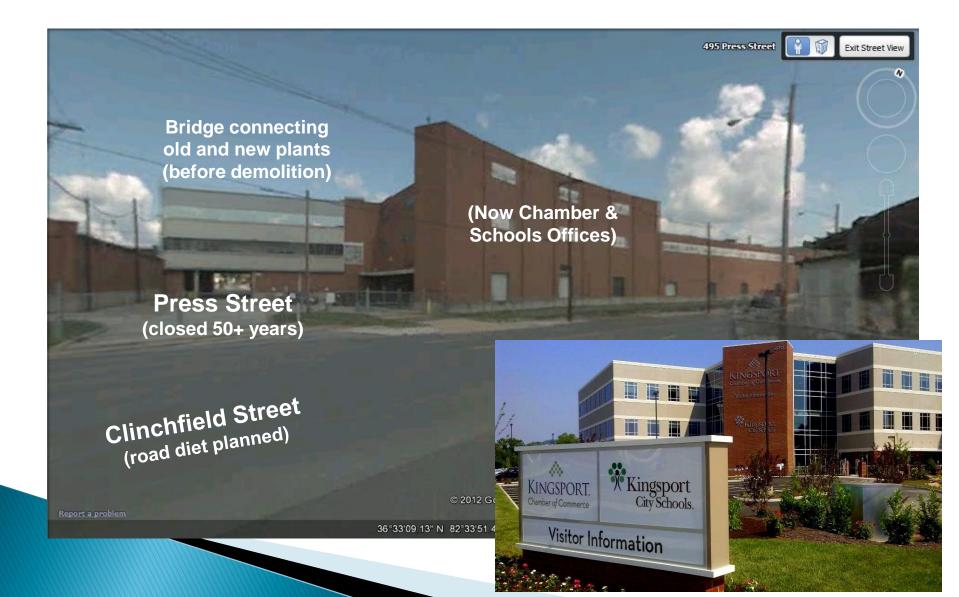
## 2006 - Before Redevelopment



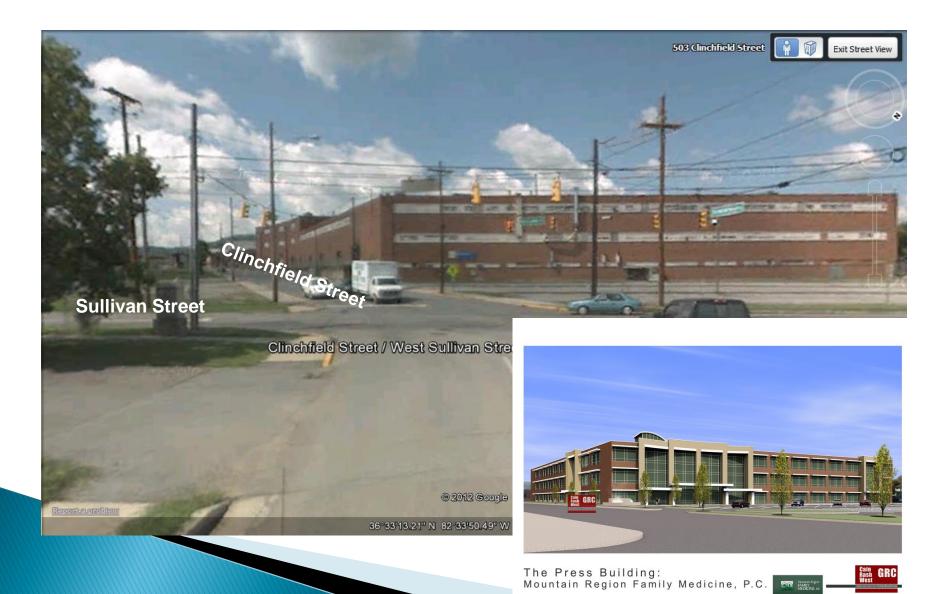
## 2006 - Before Redevelopment



## 2006 - Before Redevelopment



# 2006 - Before Redevelopment



# 2006 - Before Redevelopment



# 2010 - Demolition Begins



























### Before - a daunting task





#### **After**



#### Carousel



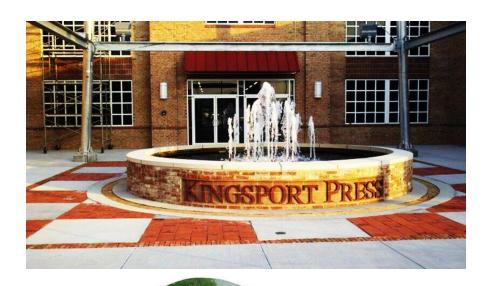


engage KINGSPORT§

KINGSPORT Office of cultural rts



#### Press Fountain & Water Tower





#### Downtown Kingsport Renaissance

\$114.9 million appraised value

\$41.7 million in private taxable investment (1998-2011)

Excluding public/semi-public non-taxable investment (an additional \$129,000,000)







# Farmer's Market





#### Farmer's Market

- 15,000 sf facility with adjoining parking
- Oldest building remaining on the property
- Holliston Mills tannery
- \$1.0 million investment by the City
- Kingsport Farmer's Market Association
- 2012 Farmer's Market of the Year
- Banquets, wedding receptions, church picnics, concerts, job fairs and a variety of other community events.





# Press Building - Medical Offices



# **Building Permits**

Permit #	<u>Address</u>	<u>Description</u>	Job Cost
10-1185	300 Clinchfield St	Food City	\$2,538,000
11-065	300 Clinchfield St	Food City Shops Shell	\$600,000
11-422	300 Clinchfield St	Food City Shops Interior Finish	\$1,200,000
13-108	300 Clinchfield St	Shops at Quebecor	\$140,000
11-1220	300 Clinchfield St Suite 140	Beef O'Brady's	\$250,000
12-1278	300 Clinchfield St Suite 200	Raymond James	\$81,293
12-1359	300 Clinchfield St Suite 220	Barberitos	\$200,000
11-202	304 Clinchfield St	Gas N Go	\$350,000
11-423	304 Clinchfield St	Gas N Go tank set	\$20,000
11-141	308 Clinchfield St	Farmer's Market Shell	\$405,000
12-374	308 Clinchfield St	Farmer's Market Phase IIA	\$86,285
12-989	315 Clinchfield St	Burger King	\$904,000
11-409	400 Clinchfield St	partial demo BOE building	\$170,000
11-739	400 Clinchfield St	Press building package B phase III shell	\$738,000
11-983	400 Clinchfield St	Press building package D interior	\$1,920,203
12-672	400 Clinchfield St	Outdoor Terrace	\$80,000
10-906	444 Clinchfield St	Press building grading	\$89,400
11-142	444 Clinchfield St	Press building package E exterior renovation	\$353,000
11-658	444 Clinchfield St	Press building package G & H	\$2,855,368
11-1409	444 Clinchfield St Suite 101	Psychiatric Associates	\$188,880
12-567	444 Clinchfield St Suite 102	Results Physiotherapy	\$229,000
12-1126	444 Clinchfield St Suite 103	East TN Brain & Spine	\$430,720
12-1217	444 Clinchfield St Suite 301	Edward Jones	\$106,715
12-088	444 Clinchfield St Suite 302	Integrity Capital	\$273,859

Total Cost: \$14,209,723

#### 2013: 502 employees, \$11.3 million tax appraisal

Owner	Emp. #	Common Description	Address	Parcel ID		al Market oraisal	Tax	essment
<del></del>	<b>p</b>		7100.000	THE PRESS GROUP	, .P.F			
The Press Group LLC	101	Office Building	444 Clinchfield St	LLC	\$	485,900	\$	-
Mountain Region Family Medicine								
Doctor Offices, Lab, Corporate HQ								
56 +11 Doctors	67							
Psychiatric Associates of Kingsport	7							
Integrity Capital Management	4							
Edward Jones	2							
Smoky Mtn Home Health & Hospice								
(satellite ofc)	2							
Results Phisiotherapy	7							
East TN Brain & Spine - Kingsport	12							
Ind. Dev. Board of City of Kingsport	85	Chamber/Board of Education	400 Clinchfield St	046H K 002.05	\$	4,343,200	\$	-
Kingsport Chamber of Commerce	25							
City of Kingsport Board of Education	60							
Press Commons LLC	74	Food City Shops	300 Clinchfield St	046H K 002.03	\$	1,324,400	\$	529,760
Barbaritos	24	<u> </u>				, ,		•
Beef O' Bradys	38							
ETSU								
4-ofc staff; 6- instructors; 200 students	10							
Raymond James	2							
Press Commons LLC	200	Food City	300 Clinchfield St	046H K 002.00	\$	3,873,300	\$	1,549,320
Food City	200	·						
Vanmar Inc	42	Burger King	315 Clinchfield St	046I A 023.00	\$	833,900	\$	333,560
City of Kingsport		Farmer's Market	308 Clinchfield St	046H K 002.02	\$	837,800		-
Kingsport City of		Parking lot behind Food City	Roller St	046H J 006.00	\$	50,600	\$	-
Kingsport City of		Parking lot behind Food City	Roller St	046Н Ј 022.00	\$	49,300	\$	
TOTAL(S)	502				\$	11,312,500		

# FAQ: How much does the city have in the project?

Expenditures					
Sullivan/Clinchfield intersection	\$	926,000			
50% Share of Demolition for Food City	\$	\$ 300,000			
Clinchfield/Center intersection	\$	\$ 564,089			
Farmer's Market	\$	\$ 800,000			
Carousel site (bought back from Food City)	\$	140,000			
Clinchfield/Roller intersection		450,000			
	\$	3,180,089			
Revenue					
Sold 8.28 acres to Food City	\$	1,000,000			
Sold 3.75 ac to Press Group LLC	\$	250,000			
Sold 0.67 ac to Kingsport Veterinary	\$	55,000			
Sold 0.82 acres to James Phillips (apts)	\$	150,000			
Sold 1.5 ac to Burger King	\$	230,000			
	\$	1,685,000			
Cost to City		\$ (1,495,089)			
Acreage:					
Farmers Market		2.17			
Food City & Press Commons retail space		8.28			
Press Group (office building)		3.75			
Chamber/Schools		2.47			
Burger King		1.50			
James Phillips Apartments		0.82			
Vacant parking lot		0.30			
		19.29			

#### Fast Forward to 2012

- Today's Kingsport Press site is no longer a blighted, urban brownfield. It has been morphed into a hub of downtown activity designed to implement the goals of the 1999 Economic Summit.
- More than 2,500 students gather at the new ETSU facilities onsite as well as the nearby Academic Village.
- Nearly every educator in Kingsport visits the Schools Administrative Support Center for training, decision-making, and meeting.
- Newcomers and visitors come to the Chamber offices as a first point of impression.
- Doctors, nurses, and medical workers see nearly 70,000 visitors per year at The Press Building.
- City leaders regularly gather at the Chamber of Commerce to dream, plan and work towards a better future for Kingsport.
- Shoppers frequent the grocery, pharmacy, bakery and fuel center at Food City.
- Diners congregate at restaurants and shoppers visit the Farmer's Market for fresh, local produce that sustains the livelihood of small family farms.
- > Small business owners (and those who would like to be) come to the Kingsport Office of Small Business & Entrepreneurship for classes and coaching on planning, financing and growing a small business.
- On the horizon is the Kingsport Carousel, the pinnacle of public art, sculpture and volunteerism.

### 2013 Main Street Report

- Since 2000, property values have nearly doubled, representing more than \$64 million in <u>private taxable</u> investment in Downtown Kingsport.
- <u>Between 2011 and 2012</u>, Downtown Kingsport continued to see phenomenal growth in taxable property value, jumping by \$22.7 million during the period according to Sullivan County public tax records. This represents the prior year's investment rolling onto the tax rolls.
- The one year increase in downtown property values was 20 percent compared to 7 percent in the MeadowView area. The Stone Drive commercial district saw a slight decrease due to temporary turnovers in the many car dealerships in the area
- An additional \$4.7 million in non-taxable public investment and \$3.8 million in taxable private investment was tallied in city building permits during calendar year 2012.
- The largest public and private projects surrounded the Clinchfield corridor (Press Building, Food City shops, Burger King). The same holds true for public/semi-public projects with the Kingsport City Schools Administrative Office at \$3.3 million and Chamber of Commerce at \$1.6 million.

#### What's next?

> 7.3 acres mixed use development



#### Lessons learned

- There is no "silver bullet"
  - (maybe "silver buckshot")
- Formal RF P's & Q's don't always work
- People who understand your town are probably already in (or near) your town
- Be flexible! Things rarely go as planned
- Be entrepreneurial your developer could be in the next meeting for a seemingly unrelated project
- Take calculated risks (Brownfields Agreement)
- Redevelopment is messy. It probably isn't going to fit within "the code" very well
- Don't take "no" for an answer
- The finished product is worth it!



# You know your work is meaningful when someone else makes it into a keepsake Christmas ornament



# SUNDAY STORIES

A SPECIAL EDITION OF THE KINGSPORT TIMES-NEWS • SUNDAY, SEPTEMBER 8, 2013



Life Is Good at Carriage House



## Thanks and welcome to Kingsport!

